

Defined Benefit Plans Under Siege -- **A National Agenda**

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Architects of the Agenda

- Grover Norquist -- Americans for Tax Reform
- ALEC -- American Legislative Exchange Council
- Defined Contribution Vendor Community

Grover Norquist

- President of Americans for Tax Reform
- The most influential Washingtonian most people have never heard of and the Grand Central Station of conservatism.
- “All the trains run through his office.”
(Wall Street Editorial Writer)

Grover's mission...

“We are trying to change the tones in the state capitals -- and turn them toward **bitter nastiness and partisanship.**”

Grover on public pension funds...

“Just 115 people control \$1 trillion in these funds, we want to take that power and **destroy it.”**

Grover on government...

Get government out of the markets and reduce it...

“to the size where I can drag it into the bathroom and drown it in the bath tub.”

Grover on Social Security...

“... should be reformed not because the system is going broke but because **it's a lousy program.**”

Grover on his progress...

Thanks to President Bush's proposal to partially privatize Social Security, Norquist believes that this goal (*replacing DB plans with DC accounts*) has been greatly advanced, **“faster by about five years than I had expected.”**

Grover on California

“...Governor Schwarzenegger is slowing down, clarifying any misconceptions with his pension reform plan, and will resume his crucial push to save the retirement security of California state employees in 2006.”

What is ALEC?

- Conservative alternative to mainstream National Conference of State Legislatures (NCSL)
- 2,400 state legislators (80% Republican)
- 270 other members... trade associations, conservative foundations, major corporations
- Standing task forces author countless pieces of model legislation that advance ALEC's agenda

ALEC Funding

- Annual budget of \$6 million
- Legislators pay \$50.00 for a two-year membership -- frequently receive “scholarships” to cover travel expenses
- Corporations pay up to \$50,000 to join

ALEC Effectiveness

“What makes ALEC different is its effectiveness in not just bringing the people together but selling a piece of legislation that was written by the industry and for the industry and selling it as a piece of mainstream legislation.”

Edwin Bender, Executive Director
National Institute on Money in State Politics

ALEC's Pension Policy

- Model Legislation: Public Employees Portable Retirement Option (PRO) Act

**Public pension reforms it (ALEC) supports
“can serve as a blueprint for reform of the
Federal Social Security system.”**

2002 Annual Report

ALEC Commerce and Economic Development Task Force

The ideological agenda...

- ✓ Destroy DB pension plans
- ✓ Reduce the number of career public employees
- ✓ Weaken public employee unions
- ✓ Destroy political and corporate governance activism

**Smaller Government,
Reduced Entitlements
and Lower Taxes!**